

Message Text

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13

ACTION NEA-10

INFO OCT-01 EA-09 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01
IO-13 /117 W

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R 070850Z DEC 76

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 2874

INFO USLO PEKING

AMEMBASSY NEW DELHI

AMCONSUL HONG KONG

AMEMBASSY ISLAMABAD

UNCLAS DACCA 6173

E.O. 11652: N/A

TAGS : ETRD, BG, PRC

SUBJECT : BANGLADESH-PRC TRADE AGREEMENT INITIATED

1. THE FIRST OFFICIAL PEOPLE'S REPUBLIC OF CHINA DELEGATION
VISITED BANGLADESH NOVEMBER 26 TO 30, 1976 AND INITIATED
A TWO-YEAR TRADE AND PAYMENTS AGREEMENT AND A ONE-YEAR TRADE
PROTOCOL. FORMAL SIGNING AT THE MINISTERIAL LEVEL IS TO
FOLLOW IN PEKING IN JANUARY.

2. THE TRADE AND PAYMENTS AGREEMENT PROVIDES FOR BALANCED
TRADE BETWEEN BANGLADESH AND CHINA AND IS AUTOMATICALLY
RENEWABLE ON THE EXPIRATION OF ITS INITIAL TWO-YEAR
PERIOD OF VALIDITY. THE FIRST ANNUAL TRADE PROTOCOL,
COVERING CALENDAR 1977 ENVISAGES EXCHANGES WORTH \$14
MILLION EACH WAY. CHINA IS TO SUPPLY BANGLADESH WITH
INDUSTRIAL RAW MATERIALS, SUCH AS COAL, CEMENT, MILD
STEEL BILLETS, PIG IRON, DYES AND CHEMICALS, AND
TOOLS AND SPARE PARTS FOR MACHINERY. BANGLADESH WILL EX-
PORT RAW JUTE AND JUTE GOODS, LEATHER AND LEATHER PRO-
DUCTS, RAYON AND PAPER AND PAPER PRODUCTS, INCLUDING
NEWSPRINT.

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3. THE THREE-MEMBER PRC DELEGATION WAS LED BY HSI YEH-

SHENG, DIRECTOR, MINISTRY OF FOREIGN TRADE, AND INCLUDED TWO OFFICIALS IDENTIFIED BY NAME ONLY: CHANG PAO-HO AND WANG HSIN-WEN. NEGOTIATIONS ON THE BANGLADESH SIDE WERE CONDUCTED BY A COMMERCE MINISTRY JOINT SECRETARY, NOORUDDIN AHMED AL-MASOOD, WHO ALSO INITIALED THE AGREEMENT FOR BANGLADESH.

4. AT A DINNER OFFERED BY COMMERCE SECRETARY MATIUR RAHMAN, HSI YEH-SHENG REPORTEDLY SAID THAT CHINA WOULD QUOTE RESOLUTELY SUPPORT BANGLADESH IN SAFEGUARDING ITS NATIONAL INDEPENDENCE AND SOVEREIGNTY END QUOTE AND QUOTE WOULD OPPOSE ANY FOREIGN INTERFERENCE IN THE INTERNAL AFFAIRS OF BANGLADESH END QUOTE. THE PRESS INTERPRETED THESE AND SIMILAR STATEMENTS AS SUPPORT FOR THE BANGLADESH POSITION ON THE ISSUE OF THE INDIAN DIVERSION OF GANGES RIVER WATER AT FARAKKA.

5. THIS LOW-LEVEL CHINESE DELEGATION MOVES SINO-BANGLADESH RELATIONS FURTHER FORWARD MODESTLY. SINCE THE FIRST PRC GESTURE OF FRIENDSHIP (THE FALL, 1974 FLOOD RELIEF DONATION) FOLLOWING STAUNCH PRC SUPPORT OF PAKISTAN AND OPPOSITION TO BANGLADESH ENTRY INTO THE UN IN 1971-1973, SEVERAL BANGLADESH TRADE GROUPS HAVE VISITED CHINA (CANTON FAIR, FOR EXAMPLE) AND DIPLOMATIC RELATIONS HAVE BEEN ESTABLISHED AT THE AMBASSADORIAL LEVEL. BANGLADESH CLEARLY LOOKS FOR MORE TO FOLLOW. THE COMMERCE SECRETARY, AGAIN AT THE DINNER, QUOTE HOPED THAT NOT ONLY THE TRADE LINKS WOULD GROW BETWEEN THE TWO COUNTRIES AND STRENGTHEN BUT MUTUAL ECONOMIC DEVELOPMENT (I.E., PRC ASSISTANCE TO BANGLADESH) WOULD ALSO TAKE PLACE END QUOTE.

MASTERS

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